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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/643,021	08/21/2000	Colleen Wallace	SCHW-110	8567

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STALLMAN & POLLOCK LLP  
ATTN: BRAIN J KEATING  
121 SPEAR STREET  
SUITE 290  
SAN FRANCISCO, CA 94105

EXAMINER

LE, DAVID Q

ART UNIT	PAPER NUMBER
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3621

DATE MAILED: 06/18/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

81K

<b>Office Action Summary</b>	<b>Application No.</b>	<b>Applicant(s)</b>	
	09/643,021	WALLACE ET AL.	
	<b>Examiner</b>	<b>Art Unit</b>	
	David Q Le	3621	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 21 August 2000.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-26 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-26 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on \_\_\_\_\_ is: a) ☐ approved b) ☐ disapproved by the Examiner.  
If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

### Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
a) ☐ All   b) ☐ Some \* c) ☐ None of:  
1. ☐ Certified copies of the priority documents have been received.  
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).  
\* See the attached detailed Office action for a list of the certified copies not received.
- 14) ☒ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).  
a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

### Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)                      4) ☐ Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)                      5) ☐ Notice of Informal Patent Application (PTO-152)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) \_\_\_\_\_                      6) ☐ Other: \_\_\_\_\_

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## **DETAILED ACTION**

### **Examiner's Note**

1. The Examiner has pointed out particular references contained in the prior art of record in the body of this action for the convenience of the Applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claims, other passages and figures apply as well. It is requested from the Applicant, in preparing the response, to consider fully the entire references as well as the context of all passages in the cited references as potentially teaching all or part of the claimed inventions.

### ***Claim Objections***

2. **Claims 20-27** are objected to because they were numbered incorrectly. Appropriate correction is required. These claims have been re-numbered **19-26** for the purpose of examination in this Office Action.

### ***Claim Rejections - 35 USC § 103***

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. **Claims 1-7, 14-26** are rejected under 35 U.S.C. 103(a) as being unpatentable over Millard et al., US Patent Publication US 2002/0007335 A1.

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As per claims 1, 19, 20, 21.

Millard discloses:

A method / apparatus / system for opening an on-line brokerage account (Abstract, Summary of the Invention, Fig 1, 2, associated text; P66), comprising:

opening an on-line brokerage account for a user based on account information received from the user, the on-line brokerage account having one or more restrictions / providing the user with access to one or more features of the online brokerage account (P67, 119);

generating an application based on the account information (P67, 129, 136-137);

requesting that the user submit required information with the application to remove the one or more restrictions from the on-line brokerage account (P74, 125, 138); and

removing said one or more restrictions from the on-line brokerage account when the application including the required information is received / if the application is approved (P120, 125: "changing member status"; Fig 2, associated text).

Millard does not specifically disclose that users have to supply information "within a predetermined time". However Millard teaches that users of his system are expected to perform certain actions within reasonable time periods (7 days), failing which certain privileges or available features would be canceled (P132-134). Therefore it would have been obvious to one ordinarily skilled in the art at the time the invention was made that Millard's system would inherently set a pre-determined, reasonable, but finite time period for supplying additional user information; the system cannot hold on to a provisional or temporary account indefinitely without settling its permanent status.

As per claim 2.

Millard further discloses

...the one or more restrictions comprise one or more of preventing the user from trading securities, preventing the user from funding the brokerage account, and preventing the user from obtaining real time stock quotations (P119).

As per claim 3.

Millard further discloses

assigning the user an account identifier to the on-line brokerage account;

assigning the user a password to access the on-line brokerage account; and

sending the account identifier and password to the user (P138, 140, Table 1).

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As per claim 4.

Millard further discloses

the required information comprises one or more of a signature of the user and funding for the on-line brokerage account (P129, 142: "funding").

As per claim 5.

Millard does not specifically disclose

closing the on-line brokerage account if the application including the required information has not been received within the predetermined time.

However Millard teaches that users are expected to perform certain actions within reasonable time periods (7 days), failing which certain privileges or available features would be canceled (P132-134). Therefore it would have been obvious to one ordinarily skilled in the art at the time the invention was made that Millard's system would inherently cancel a temporary account in case required information fails to be supplied within a predetermined time. This is a normal operation procedure, especially in time-sensitive applications such as a brokerage account service.

As per claim 6.

Millard further discloses

opening the on-line brokerage account comprises the step of allowing the user to access one or more selected features of the on-line brokerage account (P67, 74, 119).

As per claim 7.

Millard does not specifically disclose

the one or more selected features of the online brokerage account include one or more of research on securities, and set up watchlist.

However research and setting up a watchlist are activities that do not actually involve any actual trading of securities, and typically are good demonstrations of a system's capabilities for users wanting to "check out" a new brokerage service. Therefore it would have been obvious to one ordinarily

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skilled in the art at the time the invention was made to provide these features to users testing out the system, for the purpose of giving them an incentive to commit to using it in the near future.

As per claim 14.

Millard does not specifically disclose

sending the user a reminder to submit the required information with the application within the predetermined time, when the required information with the application has not been received within a second predetermined time.

However it would have been obvious to one ordinarily skilled in the art at the time the invention was made to include such a reminder step, because this would be a good business practice, in order to give a prospective every possible opportunity to complete his application and become a paying user.

As per claim 15.

Millard further discloses

receiving the application including a portion of the required information; and requesting the user submit a remaining portion of the required information (Fig 2, steps 210, 215, 220, 225, associated text).

Millard doesn't specifically recite that the user has to provide such additional information "within a second predetermined time". However, as analyzed in claims 1 and 5 above, Millard teaches that users of his system are expected to perform certain actions within reasonable time periods (7 days), failing which certain privileges or available features would be canceled (P132-134). Therefore it would have been obvious to one ordinarily skilled in the art at the time the invention was made that Millard's system would inherently set a pre-determined, reasonable, but finite time period for supplying any additional user information, failing which a further feature/service would not be provided.

As per claim 16.

Millard does not specifically disclose

receiving the application including a portion of the required information; and closing the on-line brokerage account.

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However it would only be common sense and obvious that if an application is incomplete – and remains incomplete after reasonable delay has expired – then the account should be closed. This would be because the user either is no longer interested or cannot supply the required information, and as such, it makes no business sense for the system's operator to continue to allow free use of whatever features were granted upon signup.

As per claim 17.

Millard further discloses

the step of. verifying the account information received from the user; and  
verifying the required information received from the user (P151-160).

As per claim 18.

Millard does not specifically disclose

closing the on-line brokerage account when one or more of the account information and the required information is invalid. But he describes in detail checking validation of input data (P151-160).

Therefore it would have been obvious to one ordinarily skilled in the art at the time the invention was made that should an application show invalid data and such data does not get corrected in a timely period, then the account should be closed, because there is a risk that the user maybe making up and submitting fraudulent data. An account such as that, of course would be highly undesirable to the system's operator as well its other clients.

As per claim 22.

Millard discloses all the limitations of claim 22 (see all above citations, Fig 1, associated text), including this further limitation:

forwarding of a pre-filled-in formal account application form to the client for the opened on-line brokerage account (Fig 4A-B, P144-147).

As per claim 23.

Millard discloses all the limitations of claim 23 (see all above Millard citations) including:

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a central server ... including a customer and account database and an event table in which the account information and other information related to the on-line brokerage account can be maintained (Fig 1, associated text; P67, 142, 144-145, 156, 162, 168, 181, 185, 187).

As per claim 24.

Millar further discloses

an archive repository where copies of the pre-filled-in application form and related documents can be stored (see above citations).

As per claim 25.

Millard discloses all the limitations of claim 25 (see all above Millard citations) including:

...electronically present to the client in a non-alterable format a filled in application for the on-line brokerage account, and a click-through agreement setting forth the terms of the on-line brokerage account (Fig 2, associated text, P138: "terms of use").

As per claim 26.

Millar further discloses

...an electronic archive in which the nonalterable, filled in application for the on-line brokerage account, the click-through agreement, and the information related to the formal review of the client and application for on-line brokerage account can be stored (Fig 1, associated text; P67, 142, 144-145, 156, 162, 168, 181, 185, 187).

5. Claims 8-13 are rejected under 35 U.S.C. 103(a) as being unpatentable over Millard, and further in view of Magary et al., US Patent Publication US 2001/0056387 A1.

As per claims 8, 11.

Millard discloses all the limitations of claims 7 and 1.

He is silent on checking for compliance with SEC regulations.



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Magary teaches that the SEC requires that users consent to specific rules regarding the delivery of electronic financial transactions (Magary: P18), and that such consent must be specifically provided by users before accounts may be fully activated.

Therefore it would have been obvious to one ordinarily skilled in the art at the time the invention was made that any new account would have to conform to this and/or any other applicable SEC regulation. As such, a system as envisioned based on Millard's invention would have to include this feature taught by Magary, in order to provide compliance with the SEC rules and regulations:

reviewing the account information received by the user for compliance with rules and regulations of the Securities and Exchange Commission; and

denying approval of the application to open the on-line brokerage account when the account information fails to comply with the rules and regulations of the Securities and Exchange Commission.

As per claims 9, 10, 12.

Millard in view of Magary disclose all the limitations of claims 8.

Millard discloses all the limitations of claims 5, and 11.

Millard further discloses that users of his system are notified when their account application has been reviewed and approved after the information supplied has been verified (Millard: P149).

Therefore it would have been obvious to one ordinarily skilled in the art at the time the invention was made that if an account was not approved for full activation, the following steps would inherently be taken, in order to fully appraise the user of his application's status:

notifying the user that the application to open the on-line brokerage account has been denied [claims 9, 12];

Once an account has been denied for permanent activation, it would have been obvious to one ordinarily skilled in the art at the time the invention was made to stop allowing the user to continue using the features available at signup, this for the purpose of discouraging users from signing on and not fully committing to the service by fulfilling all required obligations:

revoking access by the user to the one or more selected features of the on-line brokerage account [claims 9, 10, 12].

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As per claim 13.

Millard in view of Magary disclose all the limitations of claim 11.

Millard further teaches that a user's status may be changed upon providing additional information to the system administrator (P128).

Therefore, should an account be denied on first review, it would have been obvious to one ordinarily skilled in the art at the time the invention was made that a good business practice would be to ask the user to provide additional information, in case this new information may enable approval, thereby gaining a future paying customer for the system:

notifying the user that the application to open the on-line brokerage account has been denied; and requesting the user provide additional information for the application to open the on-line brokerage account to be approved.

### ***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to David Q Le whose telephone number is 703-305-4567. The examiner can normally be reached on 8:30am-5:30pm Mo-Fri.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James P Trammell can be reached on 703-305-9768. The fax phone numbers for the organization where this application or proceeding is assigned are 703-746-8494 for regular communications and 703-746-8494 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-1113.

DQL

June 16, 2003

  
JAMES P. TRAMMELL  
SUPERVISORY PATENT EXAMINER  
TECHNOLOGY CENTER 3600